

Question: If I nominated a parcel, do I have a lessee preference?

Answer: According to Section 77-2-324 MCA the lessee has the right to match the high bid on the first round of bidding. If the lessee does match the high bid, the bidding is reopened to all bidders, with the lessee retaining the right to match the ultimate high bid of the second round, and be awarded the sale.

Question: What happens to the improvements on the property if I am not the lessee and I buy the parcel?

Answer: If you are the successful bidder and are not the lessee, you must compensate the lessee for all their improvements. This is a separate transaction from the purchase of the property, and must be worked out between the successful bidder and the lessee. It is advisable to conclude your transactions with the lessee before closing. Please read ARM 36.25.125 found at the following web address: <http://arm.sos.state.mt.us/36/36-5644.htm>. If you have additional questions, please contact your attorney or DNRC.

Question: What if I feel the lessee is asking too much for the improvements?

Answer: There is an arbitration process that must be adhered to for this situation. Please read ARM 36.25.125 found at the following web address: <http://arm.sos.state.mt.us/36/36-5644.htm>. If you have additional questions, please contact your attorney or DNRC.

Question: How do I go about nominating a parcel I lease as a Land Banking sale?

Answer: Contact the DNRC Land Office for the county your lease is in. The Land Office can help you with filling out the nomination form, and answer additional questions concerning the process. There is a \$100.00 fee for nominating a parcel as a land banking sale. Land Office information can be found at the following web address: http://dnrc.mt.gov/field_operations/Default.asp

Question: What can I do if I feel the appraised value for land banking parcel I lease is too high?

Answer: A lessee may commission another appraisal, at their own expense, within 15 days of being notified of the appraised value by the Department. The appraiser conducting the subsequent appraisal must be from a list of Department approved appraisers, and the subsequent appraisal must be completed within 60 days of notifying the Department of the intention to commission and additional appraisal. The Department will present both appraisals to the Land Board; the board will set a minimum bid.

Question: Is the sale price of the parcel the only cost I'll have in purchasing a land banking parcel?

Answer: No. There are also processing costs associated with the sale that will have to be paid by the purchaser of a land banking parcel. Processing costs can include, but are not limited to: costs of preparing the parcel for sale, appraisals, cultural surveys, land surveys if necessary, legal advertising, document preparation fees, and recording fees.

Question: For what reasons would the DNRC not allow me to purchase a parcel I Lease through the Land Banking program?

Answer: The goals of Land Banking are: 1. to diversify land holdings in order to minimize the risk of loss; 2. to maximize the sustained rate of return to the trusts; 3. Improve public access to state trust land; 4. Consolidate land ownership.

If a parcel of land produces greater than average revenue, or provides public access to state or other public land for recreational activities, or access to navigable rivers or lakes, it would be likely the Department would not want to sell the parcel.

Question: What can I do if I don't agree with the DNRC's decision to not sell the parcel I am leasing through the Land Banking program?

Answer: You may appeal the Department's decision to the Land Board. Please read ARM 36.25.805(e) found at the following web address:
<http://www.mtrules.org/gateway/RuleNo.asp?RN=36.25.805>

Question: How long does it take to purchase land through Land Banking?

Answer: The Land Banking process from nomination to closing the sale will take 11 months if the nominated parcel is processed immediately. The DNRC does prioritize the processing of nominations, and not all nominated sales go through the sale process immediately. The following list of events creates a timeline of the Land Banking sale process:

▪ Nomination of parcel received from lessee	1 month
▪ MEPA analysis and Preliminary recommendation	2 months
▪ Appraisal and Archaeological surveys	3 months
▪ Land Board approval to sell	1 month
▪ Advertise to sell and Auction	2 months
▪ Final Land Board Approval	1 month
▪ Close Transaction	<u>1 month</u>
Total	11 months

Question: What happens to the money that DNRC collects from the sale of Land Banking parcels?

Answer: The money received from the sale of state trust land is used to purchase replacement land for the trust beneficiaries. When purchasing replacement land the Department looks for parcels that: provide a higher rate of return for the trust

beneficiaries then the parcels sold, have legal public access to the land, and have the potential for multiple uses.

Question: I have a farm I want to sell, is the DNRC interested in buying my property?

Answer: There is a nomination form for land acquisitions that should be completed and submitted for tracts to be considered for purchase. The DNRC Land Office that manages property in your county can help with the nomination process. Land Office information can be found at the following web address:

http://dnrc.mt.gov/field_operations/Default.asp

Question: I lease a cabin site from the DNRC, can I nominate my cabin site as a land banking sale Parcel?

Answer: No, cabin sites are excluded from the Land Banking program.

Question: How are land banking parcels actually sold?

Answer: Land banking parcels are sold at a public auction conducted in the county where the parcels reside. For more information concerning land banking auctions please read ARM 36.25.808 found at the following web address:

<http://www.mtrules.org/gateway/RuleNo.asp?RN=36.25.808>

Question: How do I know when land banking parcels are coming up for sale?

Answer: Auctions are advertised in local newspapers and posted on the Department's website. Notices on the website can be found at:

http://dnrc.mt.gov/About_Us/notices.asp